DRAFT

The Honorable Ray Thornton
Chairman, Subcommittee on Science, Research
and Technology
House of Representatives
2321 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Thornton:

Last fall you were good enough to hear my testimony with regard to university patents and federal grants and contracts. Now largely as a result of your perceptive efforts there has been introduced HR6249 "Uniform Federal Research and Development Utilization Act of 1977". The Officers and Trustees of the Society of University Patent Administrators join with me in support of the objectives of that bill. If it is enacted into law without important changes, technology transfer of patentable inventions from universities who are Government contractors will be significantly improved, and the administrative costs of managing those transfers will be significantly reduced.

However, there are a few places in the bill, probably through oversight or insufficient knowledge of university practices, where we would urge that there be changes, as follows:

1. Many universities provide for the patenting and licensing of inventions through patent management organizations. Some such organizations have agreements for patent management with a number of universities, perhaps best exemplified by Research Corporation, a nonprofit organization having agreements with more than 270 universities and nonprofit research institutions. Others are affiliated with a particular university, as in the case of Wisconsin Alumni Research Foundation.

None of the above organizations can be considered to be the "contractor" as that term is defined in Sec.511(d) so that the normal practices of

universities which assign inventions to these organizations would not be recognized under the Bill. One possible solution would be to expand the definition of "contractor" to include any assignee of a subject invention. This is reasonably consistent with the way the situation is handled in Federal Institutional Patent Agreements.

2. Sec. 313 (a)(2)(E) provides for a period "commencing ten years from the date the subject invention was made..." (emphasis added). The term "made" is defined in Sec.511(i) to mean conception or first actual reduction to practice. Obviously conception always occurs before actual reduction to practice, but actual reduction to practice can occur at widely varying times after conception, sometimes years later. Thus the time at which an invention is "made" will be almost impossible to determine. A much more definable and measurable date would be the date of patent application.

3. Sec.313 (a)(2)(E) exempts small business firms as defined by the Small Business Administration. In many ways universities have the characteristics of small business firms, but officially they do not seem to qualify. We urge that this exemption be extended to colleges and universities.

We hope that the above comments will be useful. Again we express our appreciation for your understanding of the problems and processes of technology transfer and we hope that your efforts will bear fruit.

Sincerely yours,

Raymond J. Woodrow
President